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### AUDIT REPORT – DEPARTMENT OF EDUCATION

**Audit Report Released.** The State Auditor's Office recently released the annual auditor report of the Department of Education for FY 2014.

**Findings and Recommendations.** The Auditor's Office made the following findings and recommendations to prevent improper practices:

- Finding – The DE did not maintain all required documentation of reviews and approvals of reports submitted by the Area Education Agencies (AEAs).  
Recommendation – The DE should establish procedures to ensure documentation of the review and approval process is maintained.
- Finding – There was no documentation of an independent review of the annual allocation for Special Education grants.  
Recommendation – The DE should ensure independent review of the annual allocation is performed and documented.
- Finding – The DE did not provide the required information to subrecipients of awards.  
Recommendation – The DE should ensure its subrecipients are notified of the required information each year.
- Finding – The DE processes and records payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions.  
Recommendation – The DE should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.
- Finding – The DE did not properly approve some service contracts with outside parties.  
Recommendation – The DE should ensure contracts and related amendments are properly approved, and required forms and reports are completed or received and comply with the policies and procedures for contracts.
- Finding – The DE does not have written policies and procedures in certain areas related to the EDINFO web application and information technology system controls.  
Recommendation – The DE should develop written policies and procedures to strengthen security and controls.
- Finding – An initial receipt listing is not prepared by the mail opener for bus inspection fees and Law Library receipts. An independent reconciliation of recorded receipts to the deposit is not performed for bus inspection fees and State Library receipts. In addition, there is no review of overdue or delinquent accounts for bus inspection fees.  
Recommendation – The DE should review operating procedures to properly segregate duties.
- Finding – The DE was not in compliance with three provisions of the Iowa Code as follows:
  - Did not submit a report related to equal employment opportunity programs (Iowa Code section 19B.11).
  - Did not conduct a review of all the agency's rules (Iowa Code section 17A.7).
  - Did not submit the annual report regarding the Early Childhood Initiative (ECI) by the January 31st deadline (Iowa Code section 256I.4).Recommendation – The DE should take steps to ensure compliance with the Iowa Code.

**Additional Information.** The complete audit report is available on the State Auditor's [website](#).

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